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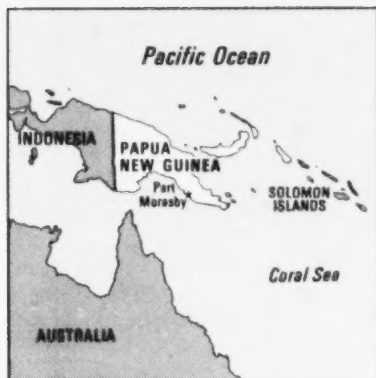
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Papua New Guinea



United States Department of State
Bureau of Public Affairs

July 1989



Official Name:
Independent State of
Papua New Guinea

PROFILE

Geography

Area: 461,693 sq. km. (178,260 sq. mi.); size of Oregon and Idaho combined. **Cities:** Capital—Port Moresby. **Other cities:** Lae, Rabaul, Goroka, Madang. **Terrain:** Mountainous island. **Climate:** Ranges from humid tropical to alpine.

People

Population (1988 est.): 3.5 million. **Annual growth rate:** 2.5%. **Ethnic groups:** Melanesian, Australian, Chinese, others. **Religions:** Christian, animist. **Languages:** Melanesian Pidgin, English, Motu, and more than 700

local languages. **Education:** *Years compulsory*—6. *Attendance*—primary 65%; secondary 13.5%. *Literacy*—32%. **Health:** *Infant mortality rate*—721,000. *Life expectancy*—49.6 yrs. **Work force** (1988): 1,846,000; *Agriculture* (subsistence or small holders)—82%. *Commerce and industry*—3%. *Services*—8.4%. *Government*—3.6%.

Government

Type: Parliamentary democracy. **Independence:** September 16, 1975. **Constitution:** September 16, 1975.

Branches: *Executive*—British monarch (chief of state), represented by the governor general; prime minister (head of government). *Legislative*—unicameral parliament (109 members). *Judicial*—Supreme Court, national court.

Subdivisions: Nineteen provinces plus national capital district.

Political parties: People's Democratic Movement, Pangu Party, People's Progress Party, National Party, United Party, Melanesian Alliance, League for National Advancement, People's Action Party, Melanesian United Front, People's Party. **Suffrage:** Universal adult.

Central government budget (1989): \$1.4 billion.

Defense (1984): 1.3% of GDP.

Flag: Rectangle divided diagonally from upper left corner to lower right corner. The upper segment is scarlet and contains a soaring yellow bird of paradise; the lower segment is black with the five stars of the Southern Cross.

Economy

GDP (1986): \$2,544.9 million. **Avg. annual growth rate** (1976–86): 2.45%. **Per capita GNP** (1986): \$729. **Avg. annual inflation rate** (1976–86): 6.6%.

Agriculture (34% of GDP): *Products*—coffee, cocoa, copra, palm oil, tea, rubber.

Industry (31% of GDP): *Types*—copper and goldmining, manufacturing and food processing, sawmilling.

Commerce and services (36% of GDP): *Areas*—transport, finance, social services.

Trade (1986): *Exports*—\$1,033 million: gold, coffee, copper, timber, cocoa, palm oil, copra, fish products, tea, and rubber. *Major partners*—F.R.G. 36.1%, Japan 26.8%, Australia 13.9%, U.K. 4.6%, U.S. 3.3%, Spain 2.2%. *Imports*—\$938 million: machinery and equipment, foodstuffs, manufactured goods, fuels and lubricants, chemicals. *Major partners*—Australia 40.4%, Japan 17.7%, U.S. 9.5%, Singapore 6.2%, New Zealand 4.5%.

Official exchange rate (1987 avg.): One kina PNGK 1 = U.S.\$1.13.

Economic aid received (1987): *Total*—\$370 million. Australia \$223 million, EC \$54 million, World Bank \$32 million, Japan \$25 million, Asian Development Bank \$17 million, China \$7.8 million, UN \$3.7 million, U.S. \$3.7 million, F.R.G. \$2.2 million, New Zealand \$2.1 million.

Membership in International Organizations

UN and some of its specialized and related agencies, including the World Bank and an associate member of the General Agreement on Tariffs and Trade (GATT); Asian Development Bank (ADB); South Pacific Forum; South Pacific Commission; Lome Convention; Commonwealth; International Coffee Organization; International Natural Rubber Organization; Nonaligned Movement. *Observer status*—Association of South East Asian Nations (ASEAN).

GEOGRAPHY

Papua New Guinea lies in the southwest Pacific about 160 kilometers (100 mi.) northeast of Australia and includes the eastern half of the island of New Guinea; the Bismarck Archipelago, of which New Britain, New Ireland, and Manus are the largest islands; Bougainville and Buka Islands in the Western Solomons; and the Trobriand, Woodlark, D'Entrecasteaux, and Louisiade Island groups to the east of the New Guinea mainland. Papua New Guinea contains four distinct geographical regions: Papua (southern portion of New Guinea), Momase (northern portion of New Guinea), the Highlands (central portion of New Guinea), and the islands.

The main island contains about 85% of the total land area. A complex system of mountains extends from the eastern end of the island to the western boundary with Indonesian Irian Jaya. Precipitous slopes, knife-sharp ridges, great outcroppings of mountains to heights of almost 4,572 meters (15,000 ft.), and broad upland valleys at altitudes of 1,500–3,000 meters (50,000–10,000 ft.) characterize this area. Large rivers flow to the south, north, and east; few are navigable except by small boats in the lower reaches. The largest, the Fly, rises in the mountains of Western Papua, flows more than 1,100 kilometers (700 mi.) through the southwestern plains, and can be navigated for nearly 800 kilometers (500 mi.) by shallow-draft vessels drawing less than 2 meters (7 ft.). The same is true of the Sepik, which rises in the central cordillera but first flows northward and then east into the Bismarck Sea. Between the northern and the central range of mountains is the Central Depression, which includes the Sepik, Ramu, and Markham River valleys. On the smaller islands, mountains cover much of the area; many of them are active or dormant volcanoes, and some reach peaks of 2,590 meters (8,500 ft.).

Along most of the coasts are lowlands and rolling foothills of varying widths. Swamps cover large areas of the country, and on the southwest littoral of the mainland, the great delta plain of the Daur coast forms one of the most extensive swamps in the world. The Sepik and Ramu Rivers also flow for hundreds of miles through large riverine swamps of sago, bamboo, and other forest land.

Papua New Guinea lies wholly within the Tropics, and its climate is monsoonal. The northwest monsoon season extends from December to March and the southeast monsoon from May to October. Average annual rainfall is high,

ranging from 200 to 250 centimeters (80–100 in.) for most districts. Many areas receive more than 500 centimeters (200 in.), but a few, like Port Moresby, lie in a rain shadow and record annual figures as low as 100 centimeters (40 in.) or less.

Temperatures are not extreme for a tropical climate, and most lowland, coastal, and island areas have a daily average temperature of about 27 °C (81 °F). Seasonal variations are slight. In the highlands, temperature varies with altitude. At 1,830 meters (6,000 ft.), the average temperature is about 16 °C (61 °F) with day temperatures rising to 32 °C (90 °F) and night temperatures falling to 4 °C–10 °C (40 °F–50 °F). Lowland humidity is uniformly about 80% with very little seasonal variation. Fluctuations are much greater in the highlands where temperatures are lower. Although many zones have wet/dry seasons, these terms are relative, since even during the so-called dry season, 5–10 centimeters (2–4 in.) of rain per month fall in most areas.

The luxuriant rain forest, which covers most of Papua New Guinea, gives a misleading impression that the soil is highly fertile; however, many of the inland soils are shallow, heavily leached, and relatively infertile. Notable exceptions are the broad lowland valleys of the Markham and Ramu Rivers and many highland valley systems, where alluvial loams or soils of volcanic origin can be very productive. The greatest soil fertility problem, leaching, results from heavy rainfall and already has degraded the soils of the Sepik and Daru Plains.

The establishment of adequate transport and communications facilities is both difficult and expensive because these geographical and climatic conditions inhibit the development of some of the interior and have a negative impact upon the entire process of social, political, and economic integration and development.

PEOPLE

The indigenous population of Papua New Guinea is one of the most heterogeneous in the world. Papua New Guinea has several thousand separate communities, most with only a few hundred people. Divided by language, customs, and tradition, some of these communities have engaged in tribal warfare with their neighbors for centuries.

The isolation created by the mountainous terrain is so great that some

groups, until recently, were unaware of the existence of neighboring groups only a few kilometers away. The diversity, reflected in a folk saying, "For each village, a different culture," is perhaps best shown in the local languages. Spoken mainly on the island of New Guinea—composed of Papua New Guinea and Irian Jaya, Indonesia (the term "New Guinea" is applied both to the northern two-thirds of the main island of Papua New Guinea and to the entire island)—about 650 of these languages have been identified; of these, only 350–450 are related. About 160 languages seem to be totally unrelated either to each other or to the other major groupings. Native languages are spoken by a few hundred to a few thousand, although Enga, used in Enga Province, is spoken by some 130,000 people. Most native languages are extremely complex grammatically.

Melanesian Pidgin and, in Papua, Police Motu serve as *lingua francas*. Pidgin has tended to supplant Motu in recent years. English is spoken by educated people and in Milne Bay Province.

The overall population density is low, although pockets of overpopulation exist. Papua, with almost half the area of Papua New Guinea, has only 20% of the population. The Western Province of Papua averages one person per square kilometer (3 per sq. mi.). The Chimbu Province in the New Guinea highlands averages 20 persons per square kilometer (60 per sq. mi.) and has areas containing up to 200 people farming a square kilometer of land. The highlands have 40% of the population.

A considerable urban drift toward Port Moresby and other major centers has occurred in recent years. Between 1978 and 1988, Port Moresby grew nearly 8% per year, Lae 6%, Mount Hagen 6.5%, Goroka 4%, and Madang 3%.

Almost two-thirds of the population is nominally Christian. Of these, more than 490,000 are Catholic, more than 320,000 Lutheran, and the balance are members of other Protestant sects. Although the major churches are under indigenous leadership, a large number of missionaries remain in the country. The bulk of the estimated 3,500 Americans resident in Papua New Guinea are missionaries and their families. The non-Christian portion of the indigenous population practices a wide variety of religions, which are an integral part of traditional culture and consist mainly of animism (spirit worship) and ancestor cults.

Foreign residents are just over 1% of the population. More than half are Australian; others are from the United



One of several thousand villages in Papua New Guinea.

Kingdom, New Zealand, the Philippines, and the United States. Since independence, about 900 foreigners have become naturalized citizens. Four of them were elected to the current parliament.

The traditional Papua New Guinea social structure includes the following characteristics:

- The practice of subsistence economy;
- Recognition of bonds of kinship with obligations extending beyond the immediate family group;
- Generally egalitarian relationships with an emphasis on acquired, rather than inherited, status; and
- A strong attachment of the people to land. Most Papua New Guineans still adhere strongly to this traditional social structure, which has its roots in village life.

HISTORY

Archeological evidence indicates that humans arrived on New Guinea at least 50,000 years ago, probably by sea from Southeast Asia during an ice age period when the sea was lower and distances

between islands shorter. Although the first arrivals were hunters and gatherers, early evidence shows that people managed the forest environment to provide food. Furthermore, evidence also shows proof of gardening at the same time that agriculture was developing in Mesopotamia and Egypt. Early garden crops—many of which are indigenous—included sugarcane, Pacific bananas, yams, and taros, while sago and pandanus were two commonly exploited native forest crops. Today's staples—sweet potatoes and pigs—are later arrivals, but shellfish and fish have long been mainstays of coastal dwellers' diets.

When Europeans first arrived, inhabitants of New Guinea and nearby islands—while still relying on bone, wood, and stone tools—had a productive agricultural system. They traded along the coast, where products mainly were pottery, shell ornaments, and foodstuffs, and in the interior, where forest products were exchanged for shells and other sea products.

The first Europeans to sight New Guinea were probably the Portuguese and Spanish navigators sailing in the South Pacific in the early part of the 16th century. In 1526–27, Don Jorge de Meneses accidentally came upon the principal island and is credited with naming it "Papua," a Malay word for the frizzled quality of Melanesian hair. The term "New Guinea" was applied to the island in 1545 by a Spaniard, Ynigo Ortiz de Retez, because of a fancied resemblance between the islands' inhabitants and those found on the African Guinea coast. Although European navigators visited the islands and explored their coastlines for the next 170 years, little was known of the inhabitants until the late 19th century.

New Guinea

With Europe's growing need for coconut oil, Godeffroy's of Hamburg, the largest trading firm in the Pacific, began trading for copra in the New Guinea Islands. In 1884, Germany formally took possession of the northeast quarter of the island and put its administration in the

hands of a chartered company. In 1899, the German Imperial Government assumed direct control of the territory, thereafter known as German New Guinea. In 1914, Australian troops occupied German New Guinea, and it remained under Australian military control until 1921. The British Government, on behalf of the Commonwealth of Australia, assumed a mandate from the League of Nations for governing the Territory of New Guinea in 1920. It was administered under this mandate until the Japanese invasion in December 1941 brought about the suspension of Australian civil administration. Following the surrender of the Japanese in 1945, civil administration of both Papua and New Guinea was restored, and under the Papua New Guinea Provisional Administration Act, 1945-46, both Papua and New Guinea were combined in an administrative union.

Papua

On November 6, 1884, a British protectorate was proclaimed over the southern coast of New Guinea (the area called Papua) and its adjacent islands. The protectorate, called British New Guinea, was annexed outright on September 4, 1888. The possession was placed under the authority of the Commonwealth of Australia in 1902. Following the passage of the Papua Act of 1905, British New Guinea became the Territory of Papua, and formal Australian administration began in 1906. Papua was administered under the Papua Act until it was invaded by the Japanese in 1942 and civil administration suspended. During the war, Papua was governed by a military administration from Port Moresby, where Gen. Douglas MacArthur occasionally made his headquarters. It was later joined in an administrative union with New Guinea during 1945-46 following the surrender of Japan.

Postwar Developments

The Papua and New Guinea Act of 1949 formally approved the placing of New Guinea under the international trusteeship system and confirmed the administrative union of New Guinea and Papua under the title of "The Territory of Papua and New Guinea." The act provided for a Legislative Council (established in 1951), a judicial organization, a public service, and a system of local government. A House of Assembly replaced the Legislative Council in 1963, and the first House of Assembly opened on June 8, 1964. In 1972, the name of the territory was changed to Papua New Guinea.

Elections in 1972 resulted in the formation of a ministry headed by Chief Minister Michael Somare, who pledged to lead the country to self-government and then to independence. Papua New Guinea became self-governing in December 1973 and achieved independence on September 16, 1975. The 1977 national elections confirmed Michael Somare as prime minister at the head of a coalition led by the Pangu Party. However, his government lost a vote of confidence in 1980 and was replaced by a new cabinet headed by Sir Julius Chan as prime minister. The 1982 elections increased Pangu's plurality, and parliament again chose Somare as prime minister. In November 1985, the Somare government lost a vote of no confidence, and the parliamentary majority elected Paias Wingti, at the head of a five-party coalition, as prime minister. A coalition, headed by Wingti, was victorious in very close elections in July 1987. In July 1988, a no confidence vote toppled Wingti and brought Rabbie Namaliu, who a few weeks earlier had replaced Somare as leader of the Pangu Party, to power.

GOVERNMENT

The Papua New Guinea constitution provides for a national government with a legislative, executive, and judicial system. The parliament is a single-chamber legislature based on a modified Westminster system consisting of members from districts apportioned by population, provincial electorates (one per province), and up to three nominated members. Parliament currently has 90 district seats and 19 provincial representatives with no nominated members. Members are elected under universal adult suffrage for a normal term of 5 years.

Her Majesty Queen Elizabeth II of the United Kingdom is chief of state, and she is represented in Papua New Guinea by a governor general who must be a Papua New Guinean citizen. The governor general is appointed by the Queen on the advice of the Papua New Guinea National Executive Council (cabinet) following parliament's decision on the nominations. Executive power is vested in the cabinet led by the prime minister—the leader of the majority party or coalition in the parliament. The cabinet is chosen by the prime minister from among the members of parliament.

A system of provincial governments was instituted following independence. There are 19 provinces each with an

elected assembly and cabinet. The provincial assemblies control the provincial budgets; however, provincial civil servants are employees of the Public Services Commission in Port Moresby. The provinces are responsible for roads, health, teacher assignments, and economic development projects. Many provinces have a commercial arm.

The Papua New Guinea legal system is based largely on that of the Commonwealth of Australia. The national judicial system consists of the Supreme Court, the National Court, and such other courts as may be established. The Supreme Court is the final court of appeals; it has inherent powers to review all acts of the National Court and has original jurisdiction in constitutional matters. The constitution contains a human rights chapter similar to those found in Western democratic systems.

Principal Government Officials

Governor General—Ignatius Kilage
Prime Minister—Rabbie Namaliu
Speaker of Parliament—Dennis Young
Deputy Prime Minister—Akoka Doi
Minister for Foreign Affairs—Michael Somare

Ambassador to the United States—Margaret Taylor

Papua New Guinea maintains an embassy at 1330 Connecticut Ave., NW., Suite 350, Washington, D.C. 20036. The Papua New Guinea Mission to the United Nations is at 801 Second Avenue, New York, N.Y. 10017.

POLITICAL CONDITIONS

Papua New Guinea's democracy is genuine and vigorous, with strong roots in widely diffused Christian values and in the Melanesian tradition of nonhereditary, village-level political leadership based on charisma and accomplishment. There is a lively opposition, elections are well contested, and the public takes an interest in politics. Papua New Guinea's human rights record is excellent, and there is complete freedom of the press and expression, as well as strong respect for the rights of the individual. No major ideological differences exist between the political parties, but regional differences (and occasionally tensions) are still significant. Major public and political concerns center on economic and social development. The country's rapid evolution, in combination with its slow-to-stagnant economic growth, has generated a major problem of youth unemployment and crime, particularly, but not

exclusively, in urban areas. National political debate centers on how to increase economic growth with fuller participation for Papua New Guineans, and with fewer disruptive social consequences.

ECONOMY

Papua New Guinea's economy generally can be separated into subsistence and market sectors, although the distinction is blurred by smallholder cash cropping of coffee, cocoa, and copra. About 75% of the country's population exists primarily in the subsistence economy.

Papua New Guinea had a typical South Pacific plantation-oriented economy until the mid-1970s when exploitation of a major copper and gold deposit on Bougainville Island was undertaken. Through 1987, Bougainville Copper Limited (BCL) has produced concentrate containing 2.8 million tons of copper, 285 tons of gold, and 715 tons of silver, representing 44% of Papua New Guinea's exports. BCL has contributed \$1,107.4 million in taxes, dividends, and royalties

to the government, equivalent to 17% of domestic revenue. BCL will remain economically viable for about 12 more years. The country's second major gold and copper mine, Ok Tedi Mining Ltd., began production in January 1985 and should reach full production in 1990. From 1985 to 1987, Ok Tedi produced 60 tons of gold and 40,000 tons of copper. Ok Tedi suffered major labor strikes, and landowners disrupted operations at BCL in 1988, causing fears that international investor confidence would falter. Nevertheless, five medium to large new mining projects are scheduled to begin construction in 1989-90.

In 1986, Papua New Guinea was the seventh largest gold-producing country and the eleventh largest copper-producing country, excluding centrally planned economies. In 1988, the mining sector is expected to contribute \$400 million to Papua New Guinea's balance of payments. The new projects, and projected higher minerals prices, could raise the mining sector's contribution to \$800 million by 1995.

GDP grew at about 2% annually throughout the 1980s. With agriculture and mining accounting for 35% and 15%, respectively, of GDP, the economy is vulnerable to swings in international commodity prices. Exports are 40% of GDP.

The manufacturing sector, mainly low technology food processing, wood processing, and metal fabrication for the domestic market, has increased only slightly since 1980. Employment in these industries totals less than 30,000, fewer than enter the labor market each year. Employment and production in mining and related industries are expected to grow throughout the early 1990s. The mining sector has few links with the rest of the economy, however, and employs less than 6,000 people, or 1% of the total work force. The petroleum industry also may provide increased employment and contribute to GDP, if oil companies currently exploring in the interior pursue production.

Natural Resources

Papua New Guinea is richly endowed with gold and copper and has significant deposits of other metals. Lack of infrastructure has slowed the pace of exploitation, but the country is nevertheless experiencing a gold exploration boom, with five medium to large projects scheduled for production before the end

of 1990. Capital expenditures for the development of these new mines could total \$1.6 billion over the next 5 years.

Oil and gas exploration has been active since the 1930s. More than 120 wells have been drilled, and the discoveries—two oil fields, five gas and condensate fields, and four dry gas fields—have led to tentative estimates of hydrocarbon reserves of about 10 trillion cubic feet of gas, 135 million barrels of condensate, and 345 million barrels of oil. Commercial production will be expensive, however, given the lack of infrastructure and the high cost of operating in remote terrain.

Timber currently accounts for about 7% of exports, and an estimated 40% of the country is covered with exploitable trees. Although most timber now leaves the country as logs, the government encourages domestic wood processing for export and domestic consumption.

Industry

The industrial sector (exclusive of mining) accounts for about 9% of GDP but contributes little to exports. Food processing is the strongest growth area and makes up 60% of total value added. Wood processing provides 10% and basic metal industries 20% of value added. Current smallscale industries produce beer, soap, concrete products, clothing, paper products, matches, ice cream, canned meat, fruit juices, and paint. The small domestic market, relatively high wages, and high transport costs are constraints to industrial development.

Agriculture

Agriculture accounts for about 34% of GDP, 40% of exports, and supports 85% of the population. Subsistence cultivation accounts for 45% of agricultural production. Cash crops ranked by value are coffee, cocoa, palm oil, copra, tea, and rubber. A single sugar plantation and refinery normally meets the domestic demand for sugar and recently has begun exporting.

The Department of Primary Industry has established projects throughout the country in palm oil, cattle breeding, and fresh vegetable production for the local market. Research projects also have helped expand production of major export crops. It will take several decades, however, to supplant traditional slash-and-burn agriculture with modern agricultural techniques.

Further Information

These titles are provided as a general indication of the material published on this country. The Department of State does not endorse unofficial publications.

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Papua New Guinea exports some 1,300 tons of crayfish and prawns per year. The country's significant skipjack tuna resource is largely unexploited.

Finance

Papua New Guinea's financial position is quite sound. Exports and imports have been roughly equal from 1986, although the current account balance has shown a slight deficit. In 1987, the ratio of debt service to exports was 20%, and the ratio of debt service to GDP was 9.8%. The inflation rate was 5.6% in 1987.

The kina is pegged to a basket of currencies based on import weights. On a trade-weighted basis, the real effective exchange rate has remained basically unchanged since a 5% devaluation in November 1985.

Development Programs and Aid

Australia is the largest bilateral aid donor to Papua New Guinea. Most of this aid is in the form of general budgetary support. Australian budgetary aid decreased from a peak of 28% of Papua New Guinea's total budget in 1984 to 18% in 1987. In 1988, Australian budgetary aid totaled \$195 million (16%). It is expected to remain at that general level over the next few years declining, in real terms, to about 12% of the total budget. Papua New Guinea is actively encouraging other countries to participate in its development programs. They are doing so in the context of the World Bank Consultative Group on Papua New Guinea, the first meeting of which was held in Tokyo in May 1988.

In addition to Australia, other major sources of aid to Papua New Guinea are New Zealand, the Federal Republic of Germany, Japan, the World Bank, the Asian Development Bank, the European Community, and the United Nations. Total aid to Papua New Guinea has averaged about \$120 million annually in recent years. U.S. aid emphasizes assistance to agriculture, marine resources, health, private enterprise development, and training; it totaled \$3.7 million in 1987.

In addition to the U.S. Peace Corps volunteers, there also are volunteers from Australia, Austria, Canada, Japan, New Zealand, Switzerland, West Germany, United Kingdom, and the United Nations. Some 2,000 missionaries work in churches, hospitals, and schools. Several churches have their own economic development projects.

Travel Notes

Climate and clothing: Papua New Guinea has a tropical monsoon climate, although temperature varies considerably with elevation. In most areas, lightweight clothing is appropriate year round, but warmer clothes may be necessary in the highlands.

Visas and customs: Tourist visas, valid for 60 days, may be obtained at Papua New Guinea Missions abroad for 5 kina. Tourist visas valid for 30 days only also are available for 5 kina upon arrival at the Port Moresby Jackson International Airport; entry at any other point without a visa is prohibited. Applicants must have a passport valid for 6 months longer than their intended stay, evidence of return or onward passage, and a visa (if required) for the next country on their itinerary. Business persons or those who intend to work in Papua New Guinea must obtain a business visa or work permit prior to arrival. All visitors are required to pay a departure tax of 10 kina prior to their departure at Jackson Airport. Tourists' personal property generally is exempt from customs duty. Agricultural quarantine is strict, and domestic pets are refused entry. Blank video tapes are subject to customs duty and must be declared. Certain types of literature, such as some popular men's magazines, are defined as pornographic and are subject to confiscation and heavy fines.

Currency: No restrictions are placed on bringing U.S. dollars into or out of Papua

New Guinea. Letters of credit, travelers' checks, U.S. currency, and personal checks drawn on U.S. banks are freely negotiable. Papua New Guinea uses a decimal currency system; the units are kina and toea (100 toea = 1 kina).

Health: Health conditions in Papua New Guinea are generally adequate, and most serious endemic diseases are not a problem. Malaria, however, is endemic to the area and includes chloroquine resistant strains. Seek medical advice prior to arrival for recommended precautions. Hospitals and pharmacies are small and are limited to urban centers and missions.

Telecommunications: International telephone, telegraph, telex, and postal services are available.

Transportation: Port Moresby has 6 weekly flights to Australia and two flights to Solomon Islands and Singapore. Continental Airlines has two flights a week to Guam with connections to the United States. There are weekly flights to Manila, and Jayapura, Indonesia. Air Niugini and several smaller airlines provide internal air service, and charters are easily arranged. Taxis and rental cars are available in the major towns. Bus service exists in the few areas where there are connecting roads. The longest road is the Highlands highway from Lae to Wabag and beyond. There are no railroads.

U.S. Trade and Investment

The United States ranked third as a supplier of goods to Papua New Guinea in 1987, and fifth as a buyer of its products. Imports from the United States were \$50.9 million, and exports to the United States were \$24 million in 1987. The leading imports from the United States were aircraft and parts, other machinery, milled grains, and petroleum products. Prospects for equipment, machinery, and aircraft, dependent on mining activity, should remain good over the medium to long term.

U.S. investment in Papua New Guinea is about \$500 million. AMOCO Minerals is the largest American investor, with one-third ownership of the Ok Tedi mine. Chevron has a significant interest in oil exploration in the country.

The Papua New Guinea Government seeks foreign investment in minerals and energy, manufacturing, and agriculture. Incentives include accelerated depreciation and tax deductions for exploration costs, feasibility studies, and training

of local staff. Foreign managers and technicians are allowed to live and work in Papua New Guinea, but investors are expected to train local people and nationalize key positions in a reasonable length of time.

FOREIGN RELATIONS

Papua New Guinea's foreign policy features close ties with Australia and other traditional friends and cooperative relations with neighboring countries. Its views on international political and economic issues are generally moderate.

Papua New Guinea has diplomatic relations with 56 countries. It maintains missions in Washington, Beijing, Bonn, Brisbane, Brussels, Canberra, Jakarta, London, Manila, New York, Suva, Sydney, Tokyo, and Wellington. There are resident diplomatic missions in Port Moresby from the United States, Australia, France, Federal Republic of Germany, the Vatican, Indonesia, Japan,

Republic of Korea, Malaysia, New Zealand, People's Republic of China, Philippines, and the United Kingdom as well as the UN Development Program and UN High Commissioner for Refugees.

U.S.-PAPUA NEW GUINEA RELATIONS

Relations between the United States and Papua New Guinea are based on a tradition of friendship dating back to World War II, when more than 1 million U.S. military personnel served in the area. The strong American missionary presence has been another source of mutual good will. The United States recently enhanced its relations with Papua New Guinea in recognition of the growing importance of the South Pacific and of Papua New Guinea's role as a leader among the island nations. It welcomes Papua New Guinea's vigorous democratic tradition, respect for human rights, and cooperative relations with neighbors and the

international community. It supports Papua New Guinea's developmental aspirations.

Among recent initiatives the United States has undertaken with Papua New Guinea are a program of defense cooperation and establishment of a U.S. Agency for International Development office. Papua New Guinea is a signatory to the United States-South Pacific Multilateral Fisheries Treaty. U.S. economic assistance includes a large Peace Corps program, direct economic aid, and contributions to multilateral programs such as the World Bank, Asian Development Bank, and UN Development Program. The United States maintains an active cultural exchange program in Papua New Guinea and seeks to promote U.S. trade and investment there to the benefit of both countries.

Principal U.S. Officials

Ambassador—Everett E. Bierman
Deputy Chief of Mission—Dean L. Welty
Political Officer—Oscar Clyatt, Jr.
Economic Officer—Robin K. McLellan
Administrative Officer—Richard B.

Sorg

Consular Officer—Larry G. Richter
AID Officer—Louis H. Kuhn
Public Affairs Officer—Terence J. Spenser

The U.S. Embassy in Papua New Guinea is located at Armit Street, Port Moresby. The mailing address is P.O. Box 1492 (tel. 21-1455). The telex number is USAEM NE 22189. ■

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